



## State Notes

### TOPICS OF LEGISLATIVE INTEREST

March/April 2002

#### **WWW.MICHIGAN.GOV**

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The e-Michigan Office was established on May 1, 2000, in Executive Order 2000-6 with the primary responsibility of maintaining the State's website, [www.michigan.gov](http://www.michigan.gov). The purpose of the e-Michigan Office is to fulfill "an identified need for the state to focus on and become active in the development and implementation of electronic government". The website is organized into five different theme areas, has links to all State department and agency websites, and offers selected State services online.

#### **The e-Michigan Office**

The e-Michigan Office originally was authorized for operation for only two years and housed within the Executive Office. It provides all State departments and agencies with assistance for e-commerce activities. Executive Order 2002-2 continues the e-Michigan Office as a Type I Agency and transfers it to the new Department of Information Technology, which was created in Executive Order 2001-3. A five-person advisory council consisting of the Governor and four members appointed by the Governor advises the director of the e-Michigan Office on issues and trends in e-commerce and implementation of initiatives.

The jurisdiction of the e-Michigan Office goes beyond the central State website. The policies adopted by the Office also apply to all executive State departments and agencies. The departments create their own websites, but must adhere to the policies set by the e-Michigan Office, such as for advertising and Internet privacy. The e-Michigan Office controls the design and e-government activities on State department websites, and those departments determine the content and language used on the website. Legislative and judicial agencies are not bound by the e-Michigan Office. They may choose to follow the policies adopted by the e-Michigan office, but legislative and judicial agencies function independently of the executive agencies and each other.

In addition to three e-Michigan employees, three employees from the Department of Management and Budget (DMB), and 10 employees of contracted vendors, the e-Michigan Office borrows staff from other departments for special projects. The employee-borrowing process is designed to assist the Office in creating a website and policies that complement department websites. The originating departments pay the salary of their employees working on the special projects, while the e-Michigan Office pays the salaries of its own employees and those borrowed from the DMB.



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### The Website

The new website became active on July 10, 2001. It is arranged into theme areas rather than by department and agency. This arrangement was chosen in an effort to provide services in a consumer-friendly method. The e-Michigan Office believes that visitors to the website will find theme areas easier to navigate compared with a department-by-department organization. The five theme areas are Business Services, Education, Licensing, Family Health and Wellness, and Travel and Recreation.

The website was designed in cooperation with IBM Corp., in accordance with a \$3.6 million contract signed in April 2001 for provision of the Internet portal and necessary technology services. Additional contracts have been signed for specific projects, including consulting services for the e-Michigan Program Management Office, development of an online direct billing system, business process re-engineering, and provision of external hosting services. Expenditures for contract services total approximately \$14.2 million.

### Appropriations and Expenditures

The first two appropriations to the e-Michigan Office were included in supplemental appropriation bills, emphasizing the original temporary nature of the office. Table 1 displays the appropriations by year and fund source. The e-Michigan Office has been appropriated a total of \$25.2 million in (FY) 1999-2000 and FY 2000-01. The amount shown below for Fiscal Year (FY) 2002-03 was proposed by the Governor in House Bill 5646 and has not been enacted. No appropriation has been made or proposed for FY 2001-02. The appropriations for the e-Michigan Office were placed in a work project account from which they may be spent in fiscal years beyond the year of appropriation.

**Table 1**

Appropriations to the e-Michigan Office				
Fiscal Year	GF/GP	Restricted	Federal	Total
FY 1999-2000	\$21,200,000	\$2,000,000	\$0	\$23,200,000
FY 2000-2001	0	1,900,000	100,000	2,000,000
FY 2002-2003*	9,300,000	0	0	9,300,000
Total	\$30,500,000	\$3,900,000	\$100,000	\$34,500,000
* As recommended by the Governor in HB 5646.				

**Source:** e-Michigan Office

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No specific restricted fund source is designated in the appropriation bills. The restricted funds may come from a variety of sources depending on the project. For example, the e-Michigan Office could receive Medicaid funds to implement an online prescreening eligibility system and online applications for the MIChild and Healthy Kids program. Specific Federal fund sources have not been identified.

The e-Michigan Office has identified the amount of funding each project within each theme area will receive. In addition to the five theme areas on the website, there is a sixth development area called Enterprise Wide that primarily handles the administration of technology. Table 2 displays the Office's anticipated expenditure schedule.

**Table 2**

<b>e-Michigan Office Anticipated Expenditure Schedule</b>			
	<b>FY 2000-01</b>	<b>FY 2001-02</b>	<b>Total</b>
Enterprise Wide	\$9,299,508	\$12,134,745	\$21,434,253
Business Services	92,580	587,750	680,330
Education	93,170	842,960	936,130
Licensing	61,230	652,870	714,100
Family Health and Wellness	61,230	939,000	1,000,230
Travel and Recreation	61,230	340,000	401,230
Total	\$9,668,948	\$15,497,325	\$25,166,273

**Source:** e-Michigan Office

Actual expenditures started slowly as the Office established itself and planned an approach. As contracts have been signed and the website completed, expenditures have increased. Focus initially was concentrated on activities related to the Enterprise Wide area. The development of services in the five theme areas will account for the bulk of the remaining expenditures. As of April 2002, the e-Michigan Office had spent approximately \$15.7 million of the FY 1999-2000 General Fund/General Purpose (GF/GP) appropriation and another \$5.2 million GF/GP is encumbered. None of the restricted funds have been spent, nor has any of the appropriation from FY 2000-01 been spent.

### **Advertising Policy**

Language included in the FY 2001-02 General Government appropriation bill (Public Act 83 of 2001) authorizes the e-Michigan Office to accept advertising for placement on the website, with the revenue benefitting operations of the Office. The central website is not



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the only one that may contain advertising. Since the jurisdiction of the e-Michigan Office includes all executive departments, these individual department websites also may receive advertising. Advertising revenue to the Office was limited to a total of \$250,000 with any additional funds benefitting the General Fund. The language also allows the e-Michigan Office to accept gifts, donations, contributions, bequests, and grants of money for its operations, and allows the source to receive recognition on the website.

At this time, no advertising has been placed on a State website and no contract has been signed with a vendor to design or coordinate the placement of advertising on State websites. The e-Michigan Office stated that it will review each advertisement before accepting it to determine acceptability for an audience of any age. The Office also will make an effort to place advertisements on department websites with related topics.

### Privacy Policy

The privacy policy adopted by the e-Michigan Office applies to all executive department websites. Cookies, or small bits of data stored by a website on a visitor's computer, may be long-term or temporary. Temporary or session-specific cookies are used unless a visitor chooses to personalize his or her view of the website. If this option is chosen, then long-term cookies are used in order to remember the visitor's preferences from session to session.

A subsection included in the FY 2001-02 General Government appropriation act requires the privacy policy adopted by the e-Michigan Office to inform visitors how to view and delete cookies from their computer. This information was included in the privacy policy when the e-Michigan website became operational in July 2001. The e-Michigan website also describes a linking policy, an accessibility policy, and a security policy for online transactions.

### Conclusion

The e-Michigan Office will be transferred to the Department of Information Technology as soon as is practicable following the effective date of Executive Order 2002-2, April 23, 2002. The Office intends to divide the recommended appropriation for FY 2002-03 between maintaining existing projects and developing new initiatives.